

**THE CENTRAL ADMINISTRATIVE OFFICES OF
THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU, LA
OFFICES AND INSTITUTIONS**

*Financial Statements
and Supplementary Information*

June 30, 2010

(With Independent Auditor's Report Thereon)

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 4/6/11

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU, OFFICES AND INSTITUTIONS**

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INDEPENDENT AUDITOR'S REPORT

His Excellency
Most Reverend Sam G. Jacobs, D.D.
Bishop of the Diocese of Houma-Thibodaux

We have audited the accompanying consolidated statement of financial position of The Central Administrative Offices of the Roman Catholic Church of the Diocese of Houma-Thibodaux, Offices and Institutions, as of June 30, 2010, and the related consolidated statements of activities and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Diocese's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Diocese's consolidated financial statements do not contain certain provisions and/or disclosures required to conform to accounting principles generally accepted in the United States of America as follows:

- As discussed in Note 1, the Diocese's consolidated financial statements do not contain a provision for depreciation expense.
- As discussed in note 1, the Diocese's consolidated financial statements do not include the operations of the high schools owned and operated by the Diocese, nor do they include certain assets, liabilities and net assets of the high schools.
- As discussed in note 10, the Diocese did not obtain an actuarial valuation of its priest pension liability as of year-end, and was not able to develop certain pension information as of year-end for inclusion and disclosure in the consolidated financial statements.
- As discussed in note 12, the Diocese did not obtain an actuarial valuation of its liability for postretirement health care benefits for priests, and was not able to develop certain information as of year-end for inclusion and disclosure in the consolidated financial statements.

In our opinion, except for the exclusion of the aforementioned information, the consolidated financial statements referred to above present fairly the financial position of The Central Administrative Offices of the Roman Catholic Church of the Diocese of Houma-Thibodaux and Institutions as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 18, 2010 on our consideration of Diocese's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 1 to 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Diocese. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the basic financial statements of the Diocese. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the statement of financial position of the Central Administrative Offices of the Roman Catholic Church of the Diocese of Houma-Thibodaux, Offices and Institutions as of June 30, 2009, and the related statements of activities and changes in net assets and cash flows for the year then ended (none of which is presented herein) on which we expressed a qualified opinion for not providing for depreciation expense, not including the operations of high schools owned by the Diocese, for not obtaining actuarial valuations of the priest pension and postretirement benefit liabilities and for not disclosing certain information relating to the priest pension and postretirement benefit liabilities as required by accounting principles generally accepted in the United States of America. The supplementary information presented for 2009 included in Schedules 5 to 11 is presented for comparative purposes and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements from which it was derived.

November 18, 2010

Lanauy: Fels

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU, OFFICES AND INSTITUTIONS**

Consolidated Statement of Financial Position

June 30, 2010

ASSETS

Current assets:

Cash and cash equivalents	\$ 2,345,771	
Accounts receivable	375,642	
ABA receivable	130,685	
Accrued interest and mineral royalties receivable	463,966	
Prepaid expenses	6,500	
Current maturities of parish and school loans	852,000	
Investments in marketable debt securities expected to be sold or to mature to fund current expected deposit withdrawals for prepaid tuition	<u>20,091,000</u>	
Total current assets		\$ 24,265,564

Investments, net of current expected sales and maturities **34,630,569**

Parish and school loans receivable	6,396,821	
Less current maturities	<u>(852,000)</u>	
Total loans less current maturities		5,544,821

Property and equipment:

Buildings and equipment	16,575,351	
Operating high school properties	4,205,625	
Future parish sites	<u>283,411</u>	
Total property and equipment		21,064,387

Other assets **5,925,107**

Total assets **\$ 91,430,448**

See notes to financial statements.

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Consolidated Statement of Financial Position
June 30, 2010

LIABILITIES AND NET ASSETS**Current liabilities:**

Deposits in central finance, current expected withdrawals:		
Parishes	\$ 3,366,000	
Cemetery operating deposits	912,000	
Institutional deposits, principally prepaid tuition	20,091,000	
Accounts payable, undistributed funds and other accruals	2,368,936	
Current maturities of long-term debt	480,000	
Total current liabilities		\$ 27,217,936
Deposits of parishes, schools and institutions, net of current expected withdrawals		9,813,239
Bonds payable, net of current maturities		19,345,000
Third-party endowments		15,793,240
Insurance program reserves		1,534,476
Accrued other postretirement benefits		325,010
Total liabilities		<u>74,028,901</u>
Net assets:		
Restricted by donors:		
Temporarily restricted net assets		3,456,562
Permanently restricted net assets		3,631,709
Unrestricted:		
Designated:		
Undistributed funds - funded operations	4,012,623	
Other designated net assets	1,465,678	
Undesignated	4,834,975	
Total unrestricted net assets		<u>10,313,276</u>
Total net assets		<u>17,401,547</u>
Total liabilities and net assets		<u><u>\$ 91,430,448</u></u>

See notes to financial statements.

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
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Consolidated Statement of Activities

Year Ended June 30, 2010

	Unrestricted		Temporarily	Permanently	Total
	Undesignated	Designated	Restricted	Restricted	
Revenues and other support:					
Cathedralium	\$ 2,419,750	\$ -	\$ -	\$ -	\$ 2,419,750
Collections and administration	131,494	-	-	-	131,494
Income of funded operations:					
Central finance	-	2,291,550	-	-	2,291,550
Other funded operations	-	6,500,873	-	-	6,500,873
Contributions and grants	1,798,464	-	756,651	176,089	2,731,204
Investment return - investments not included in Central finance program	486,033	-	-	-	486,033
Other income	2,101,976	-	-	38,000	2,139,976
Net assets released from restrictions	-	259,237	(259,237)	-	-
Total revenues and other support	6,937,717	9,051,660	497,414	214,089	16,700,880
Expenses:					
Operating expenses	6,572,870	-	-	-	6,572,870
Expenses of funded operations:					
Central finance	-	1,270,416	-	-	1,270,416
Other funded operations	-	6,654,294	-	-	6,654,294
Total expenses	6,572,870	7,924,710	-	-	14,497,580
Change in net assets	364,847	1,126,950	497,414	214,089	2,203,300
Net assets at beginning of year	5,250,231	3,571,248	2,959,148	3,417,620	15,198,247
Transfers between designated and undesignated:					
Subsidies to/from funded operations	(775,585)	775,585	-	-	-
Other transfers	(4,518)	4,518	-	-	-
Total transfers between designated and undesignated	(780,103)	780,103	-	-	-
Net assets at end of year	\$ 4,834,975	\$ 5,478,301	\$ 3,456,562	\$ 3,631,709	\$ 17,401,547

See notes to financial statements.

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Consolidated Statement of Cash Flows

Year Ended June 30, 2010

Cash flows from operating activities:

Change in net assets	\$ 2,203,300
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Unrealized (gains) losses on investments, net change	(1,307,291)
Realized (gains) losses on investments	(8,868)
Contributions restricted for long-term investment	(214,089)
Amortization of bond issuance cost	27,890
Changes in:	
Accounts receivable	180,099
ABA receivable	15,227
Accrued interest and mineral royalties receivable	(113,695)
Other assets	(464,625)
Accounts payable	103,617
Insurance program reserves	(13,253)
Net cash provided by (used in) operating activities	<u>408,312</u>

Cash flows from investing activities:

Purchases of property and equipment	(2,456,015)
Purchases of investments	(56,372,138)
Proceeds from sale of investments	61,069,589
Increase in loans to parishes and institutions, net	(737,634)
Net cash provided by (used in) investing activities	<u>1,503,802</u>

Cash flows from financing activities:

Proceeds from contributions restricted for:	
Contributions to Seminary Burses	90,755
Contributions to endowment funds	85,334
Perpetual care of cemetery crypts	38,000
	<u>214,089</u>
Other financing activities:	
Redemption of bonds payable	(4,355,000)
Increase in school, parish, and institution funds on deposit with the Diocese	(130,277)
Increase in endowments held for third parties	114,691
	<u>(4,370,586)</u>
Net cash provided by (used in) financing activities	<u>(4,156,497)</u>

Net (decrease) in cash and cash equivalents (2,244,383)

Cash and cash equivalents at beginning of year 4,590,154

Cash and cash equivalents at end of year \$ 2,345,771

Supplemental disclosure of cash flow information:

Cash paid for interest during the year on deposit accounts in central finance	\$ 1,151,418
Cash paid for interest on long-term debt	\$ 1,578,689

See notes to financial statements.

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Notes to Consolidated Financial Statements

1) Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization and Principles of Consolidation:

The Diocese of Houma-Thibodaux (hereinafter "the Diocese"), a not-for-profit corporation established under the laws of the State of Louisiana, operates as a religious organization. The Diocese is dedicated to acting as a centralized ministry that coordinates several ministerial, outreach and administrative programs and functions for church-parishes and other Diocesan related operations located within the Diocese's boundaries encompassing the civil parishes of Terrebonne, Lafourche, parts of St. Mary, St. Martin and Iberia, and Grand Isle, Louisiana.

The Diocese derives support for its administrative operations primarily through Cathedralricum paid by Diocesan parishes to the Diocese. Cathedralricum is an assessment on parish ordinary income and certain extraordinary income. The Cathedralricum amount is set each year by the Diocese based on the prior year's reported income. Support for other Diocesan operations is provided by several sources including, but not limited to: grants from other non-profit entities; special Diocesan-wide collections; individual contributors; governmental grants; and Diocesan subsidies, transfers, grants, and interest, dividends and net capital gains or (losses) earned and recognized on investments.

The accompanying financial statements include the accounts maintained by and directly under the administration of the Central Administrative Offices of the Diocese of Houma-Thibodaux, as well as the accounts maintained by the following not-for-profit entities owned by the Diocese and in which the Diocese has a direct controlling financial and canonical interest:

- H-T Publishing Company (The Bayou Catholic)
- Lumen Christi Retreat Center
- St. Lucy's Day Care Center
- St. Joseph's Cemetery

Internal transactions and balances, except for interest paid on funds deposited with Central Finance, have been eliminated in consolidation. The accompanying financial statements do not include accounts of individual parishes and other church-related agencies and institutions, such as parishes, schools, cemeteries, homes, etc. except insofar as financial transactions have taken place between these agencies and institutions and the Diocese (subsidies, grants, loans, deposit, insurance premiums and Diocesan support paid by those entities in the form of cathedralricum). These agencies and institutions are directly managed and controlled by their pastors or other responsible parties. Only those operations and offices that are directly controlled, managed, administered and financed through the Diocese Central Administrative Offices are included in these financial statements.

The operations of high schools owned by the Diocese and certain assets acquired or liabilities incurred by the schools as a result of their operations are not included in the consolidated financial statements of the Diocese. Those operations, assets and liabilities should be included in the consolidated financial statement because the Diocese has a controlling financial interest in the high schools.

Summary of Significant Accounting Policies Used:

- a) **Method of accounting.** The accompanying financial statements have been prepared on the accrual basis of accounting as adopted by the Chancery.
- b) **Property and equipment values are recorded at cost.** If acquired by gift or legacy, the fair market value at date of gift or date of death is recorded. No provision for depreciation has been made in the financial statements. The Finance Council and management of the Diocese do not believe the benefits derived

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Notes to Consolidated Financial Statements

from the calculation of depreciation expense are commensurate with the effort and costs required to develop this information.

- c) Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. For investments other than marketable securities with readily determinable fair values, the carrying value is either cost or fair value at the date of donation.
- d) All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Diocese reports the support as unrestricted.

Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor-imposed stipulations regarding how long the contributed assets must be used, the contributions are recorded as unrestricted support.

Contributed services are recognized at fair value, except for the work of volunteers for which no monetary value has been assigned.

- e) The Diocese has adopted a policy of allocating a part of the general and administration expenses incurred to the related offices within the Chancery. These operating expenses include such things as utilities, telephone, copying costs, office and operating supplies, insurance, equipment and building maintenance, and general and administration personnel expenses. Other personnel expenses are allocated among offices based on the percentage of time spent in each office.
- f) Cash and cash equivalents consist of cash in banks and securities purchased under agreement to resell. Concentrations of credit risk with respect to cash and cash equivalents are considered limited due to the combination of federally-insured deposits and financial strength of the institutions that hold Diocesan deposits. Cash in excess of federally insured limits at June 30, 2010 amounts to \$1,927,421. Of this excess, \$618,349 was collateralized by the trust assets of the Diocese's primary depository institution in accordance with a sweep repurchase agreement with that institution.

Investments in marketable debt and equity securities are diversified among high-credit quality securities in accordance with the investment policy of the Diocese. Investments are not insured by the trustee, Federal Deposit Insurance Corporation or any other government agency.

- g) The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2) Central Finance

Under Diocesan central finance policies, the Parishes, Schools and Institutions within the Diocese are required to remit to the Diocese all funds not immediately needed by the Parishes, Schools and Institutions for current operations. For those with surplus funds, these balances earned interest at a rate of 2% per annum through June 30, 2010. For those that have outstanding loans with the Central Finance Program, the funds received are applied as payments to the loans. Parishes, Schools and Institutions with loans payable to Central Finance pay 6% interest to the Central Finance Program.

Certain Diocesan programs and funded operations also receive interest on surplus funds held by the Central Finance Program at the same rates earned by Parishes, Schools and Institutions. The interest received by funded operations is reported as revenue of other funded operations in the statement of activities.

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Interest earned on invested funds less interest paid on funds on deposit and an administrative fee charged by the Central Administrative Offices is paid to the Parishes, Schools and Institutions as additional interest at the end of the year. The amount of additional interest paid to each Parish, School or Institution is based on the interest earned by the Parish, School or Institution during the year and is called "profit sharing." There was no profit sharing distribution for the year ended June 30, 2010. The statement of activities and schedule below present investment return as interest and dividends earned and capital gains recognized. The full amount of interest expense incurred during the year is reflected below and is included on the statement of activities.

Central finance income was earned as follows:

Interest income:	
Parish and school loans	\$ 177,665
Investments and cash reserves	1,410,510
Dividend income	22,758
Realized gains (losses) on investments, net	9,466
Change in unrealized gains and losses on investments, net	671,151
Total central finance income	\$ 2,291,550

Central finance expense and subsidies were incurred as follows:

Interest expense:	
Parish deposits	138,987
Cemetery deposits	138,808
Endowments	484,961
School and institution deposits	378,424
External money management and bank fees	129,236
Total central finance expenses and subsidies	1,270,416
Change in net assets - Central Finance	\$ 1,021,134

Endowment funds may also be established by Parishes, Schools and Institutions within the Diocese. The funds must be deposited with Central Finance. The establishment of endowment funds is governed by the Diocesan policy on endowments. The deposits must be of a permanent nature and have restrictions as to the withdrawal of principal. Interest is paid at 90% of the average rate of return on Diocesan external investments exclusive of realized capital gains, but not less than 3% through June 30, 2010. Endowment funds do not share in the "Profit Sharing" discussed in the preceding paragraph. For the year ended June 30, 2010, interest was paid on endowment funds at the minimum rates described above.

The cemetery operating deposits are to be used by each cemetery for upkeep, construction, acquisitions or any other operating expenses of the cemetery.

3) Funded Operations

The Diocese maintains several operations (some of which are separately incorporated) that are funded through separate collections and revenues. These collections and revenues are segregated in separate accounts in the Diocesan accounting system. The revenues and expenses incurred by the operations are kept separate for internal Diocesan reporting. The Diocese has adopted the policy to internally subsidize these operations when applicable. Funded operations having revenues in excess of expenditures are carried on the Diocese's balance sheet as unrestricted - designated net assets to be used in future operations of the particular funded operation.

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Notes to Consolidated Financial Statements

4) Receivable – Annual Bishop's Appeal (ABA)

The ABA receivable represents commitments or unconditional promises to give from individuals as a result of the Annual Bishop's Appeal. Management considers the commitments to be fully collectible and accordingly, no allowance for uncollectible commitments is deemed necessary. All ABA receivables are due to be collected within one year of the balance sheet date.

5) Investments and Fair Value Measurements

Investments at June 30, 2010, are summarized as follows:

	<u>Carrying Value</u>
<u>Temporary cash investments:</u>	
Money market mutual funds	\$ 14,219,612
<u>Marketable equity securities:</u>	
Common stocks	1,689,279
<u>Marketable debt securities:</u>	
U.S. government securities	37,320,438
<u>Other investments:</u>	
Guaranteed investment contract	1,400,549
Real estate	<u>91,691</u>
	54,721,569
Less investments in marketable debt securities expected to be sold to fund current expected deposit withdrawals	<u>(20,091,000)</u>
	<u><u>\$ 34,630,569</u></u>

Statement of Financial Accounting Standards for Fair Measurements became effective for the Diocese's 2009 fiscal year. This Statement redefines fair value as the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Although the exchange price concept is not new, the new definition focuses on the exit price as opposed to the entry price that would be paid to acquire an asset or received to assume a liability. The standard also emphasizes that fair value is a market-based measurement and not an entity-specific measurement and establishes a hierarchy to prioritize the inputs that can be used in the fair value measurement process. The inputs in the three levels of this hierarchy are described as follows:

- | | |
|---------|--|
| Level 1 | Quoted prices in active markets for identical assets or liabilities. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis. |
| Level 2 | Observable inputs other than Level 1 prices. This would include quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data. |
| Level 3 | Unobservable inputs, to the extent that observable inputs are unavailable. This allows for situations in which there is little or no market activity for the asset or liability at the measurement date. |

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Notes to Consolidated Financial Statements

The Diocese measures temporary cash investments and investments in marketable debt and marketable equity securities at fair value on a recurring basis and are summarized below:

(in thousands)	Carrying Value	June 30, 2009		
		Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investment securities:				
Temporary cash investments	\$ 14,220	\$ -	\$ 14,220	\$ -
Marketable debt securities	37,320	-	37,320	-
Marketable equity securities	1,689	1,689	-	-
Total investments reported at fair value	53,229	\$ 1,689	\$ 51,540	\$ -
Other investments carried at cost	1,492			
Total investments	<u>\$ 54,721</u>			

Total investment return, which is reported as unrestricted income in the statement of activities, is \$1,434,318, which includes the components of Central Finance income reported in Note 2 plus \$486,033 interest earned on the guaranteed investment contract.

The guaranteed investment contract is held by the Bond Trustee in the Bond Project Account pursuant to a bond indenture reported in Note 11. The funds in the contract will be drawn out as specified in the investment agreement to pay construction costs of the projects for which the bonds were issued. The underlying investments in the contract consist of obligations fully guaranteed by the United States of America, or obligations, debentures notes or other evidence of indebtedness issued or guaranteed by the Governmental National Mortgage Association (GNMA), Federal National Mortgage Association (FNMA), Federal Home Loan Banks System, or Federal Home Loan Mortgage Corporation (FHLMC).

6) Other Assets

Other assets are comprised of the following:

Perpetual care deposits in Cemeteries Trust	\$ 1,983,983
Series 2006 bond issuance costs, net of accumulated amortization	1,191,139
Series 2007 bond issuance costs, net of accumulated amortization	183,036
Prepaid pension costs	2,482,589
Other miscellaneous assets	84,360
	<u>\$ 5,925,107</u>

7) Insurance Program Reserves

The Diocese operates several self-insurance programs in which the parishes, schools and institutions of the Diocese also participate. Following is a description of each:

Unemployment Insurance Program - The Diocese, its parishes, schools and institutions voluntarily participate in the State of Louisiana unemployment system based on the reimbursable method. The individual entities contribute to the fund based on historical results at a rate sufficient to fund anticipated

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Notes to Consolidated Financial Statements

claims. Based on the present reserve balance, claims experience and current earnings on the reserve, no current contributions from the entities are needed. All claims for unemployment benefits are filed with the State and those which are paid by the State are reimbursed by the program. The Diocesan Central Finance program pays interest on the reserve balance throughout the year. The interest earned is used to pay claims and expenses of the program, bolster the operating reserve and partially fund the Diocesan Office of Human Resources.

Louisiana Catholic Workers' Compensation Pool (LCWCP) – The Diocese participates in a cost-sharing, risk pool with three other Dioceses to cover claims resulting from employment-related accidents and injuries. Premiums are paid to the pool by the Dioceses based on total payroll costs for covered workers. The pool has entered into a stop-loss agreement with an insurance company to limit its losses to \$275,000 per occurrence and \$2,750,000 per policy year. After all outstanding claims are settled for a policy year, any excess of premiums collected over claims and other costs are refunded to the participating Dioceses in proportion to premiums paid to the pool for that policy year.

Mausoleum Insurance Reserve - This reserve is used to repair damage caused by fire or natural disasters to mausoleums at cemeteries operated by the parishes of the Diocese. The Diocesan Property and Casualty Insurance program covers damage caused by vandalism. The reserve is funded through premiums paid through the Diocesan Property and Casualty Insurance Program. At the end of the year, reserve adequacy is assessed. If reserves are adequate, the premiums credited to the reserve during the year are charged against the reserve and the balance is credited as a source of revenue to the Funded Operation- Cemeteries Office.

Hospitalization Insurance Reserve - Hospitalization insurance premiums are paid into this program via a third-party administrator by the Diocese, its parishes and institutions to provide coverage for employees, retirees, and their families. The Diocese has entered into a stop-loss agreement with an insurance company to limit its losses to \$160,000 on individual claims. From time to time during the year, the Diocese remits funds from this reserve to the third-party administrator to pay claims. When the third-party administrator accumulates excess funds, the funds are remitted to the Diocese for deposit into the reserve. Premiums and loss claims of the Hospitalization Insurance Program are not included in these financial statements. The Diocesan Central Finance program pays interest on the reserve balance throughout the year. The interest earned is used to partially fund the Diocesan Office of Human Resources.

At June 30, 2010, the balances of the Insurance Program Reserves are as follows:

Unemployment Reserve	\$ 393,448
Mausoleum Insurance Reserve	239,248
Hospitalization Insurance Reserve	902,780
	<u>\$ 1,535,476</u>

The Diocesan property and casualty insurance program is reported as a funded operation and the ending balance is included in designated net assets. This is a self-insurance program in which the parishes, schools and institutions of the Diocese also participate. The Diocese has entered into a stop-loss agreement with an insurance company to limit its losses to \$25,000 on individual claims and \$150,000 in the aggregate for the fiscal year ended June 30, 2010.

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
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Notes to Consolidated Financial Statements

8) Restrictions on Net Assets

Temporarily restricted net assets are the net assets of the Diocese that are restricted by donors for: (a) support of a particular operating activity, (b) investment for a specified term, (c) use in a specified future period, or (d) acquisition of long-lived assets.

Permanently restricted net assets represent the net assets of the Diocese restricted by donors for holdings of (a) assets, such as land or works of art, donated with stipulations that they be used for a specified purpose, be preserved, and not be sold, or (b) assets donated with the stipulation that they be invested to provide a permanent source of income.

Temporarily restricted net assets are available for the following purposes or periods:

Perpetual Care Maintenance Reserve	\$ 104,769
Disaster Relief Fund	1,431,341
Deferred Grant Revenue	813,034
Future Parish Sites	218,600
Lafourche Charities Fund	320,632
Oil Spill Disaster Relief	168,186
Use restriction through June 30, 2041:	
Bishop's Residence	400,000
	<u>\$ 3,456,562</u>

Permanently restricted net assets are restricted for:

Seminary Burse Funds	\$ 1,258,996
Perpetual Care Deposit - Cemeteries Trust	1,983,983
Priest Retirement Endowment	176,875
Lumen Christi Endowment	89,369
Catholic Social Services Endowment	122,486
	<u>\$ 3,631,709</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors, as follows:

Miscellaneous program grants	\$ 214,475
Cemetery perpetual care expenses	44,762
	<u>\$ 259,237</u>

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9) Designated Net Assets

Designated net assets represent net assets that have no donor-imposed restrictions but have been designated by management for the following:

Cathedraticum Reserve	\$ 361,630
Priest Pension Fund	759,624
Evangelization Fund	214,475
Technology Support Program	7,178
Bishop's Grant Fund	16,530
Vehicle Replacement Fund	50,763
Bishop's Conferences Fund	43,084
Mall Ministry Fund	12,394
	<hr/> 1,465,678
Undistributed Funds - Funded Operations	4,012,623
	<hr/> \$ 5,478,301 <hr/>

10) Retirement Plans

A) Defined Contribution Plans.

The Diocese sponsors two defined contribution plans as follows:

401(a) Plan - The Diocese established a defined contribution 401(a) plan to accept rollover contributions from the participants in the Defined Benefit Plan that was terminated in 1997. No further employee or employer contributions will be made to this plan.

403(b) Plan - For all eligible employees, the Diocese will contribute 2% of salary to the plan and an additional 2% of salary to the plan if the employee agrees to participate at the minimum level of 2% of salary. The Diocesan contribution to the plan increases, based on length of service, to a maximum of 4% for employees with 20 or more years of service. For the year ended June 30, 2010, Diocesan contributions to the plan were \$126,472.

B) Priests' Pension Fund.

The Diocese provides pension benefits to the retired priests of the Diocese under a plan that is not a qualified plan under the Internal Revenue Code and is not required to comply with the Employee Retirement Income Security Act of 1974.

Summary of Principal Plan Provisions:

All incardinated priests of the Diocese of Houma-Thibodaux are eligible for participation in the plan. The normal retirement eligibility requirement is attainment of age 65. Under normal retirement, the participant is paid for life at a rate of \$52 per month times the participant's years of service up to 25 years. If the participant remains in service beyond age 65, an additional accrued benefit of \$75 per month will be accrued for each year of continued service. The monthly benefit paid to retirees and the monthly accrued benefits for active participants are generally adjusted every other year. Early retirement requires attainment of age 55. The benefit for early retirement is calculated in the same manner as that of normal retirement, but reduced by 5% for each year early retirement proceeds normal retirement. Participants are 100% vested in their accrued benefits after 5 years of service.

On October 12, 2007, the Diocese established the Priest Retirement Trust to hold plan assets. The proceeds of the 2007 Series bonds and investments previously designated for the payment of priest retirement benefits were deposited into the trust. Current plan benefits are funded by periodic employer contributions in conformance with minimum funding recommendations and maximum suggested limitations and earnings on plan assets. Additional funding is also provided by voluntary contributions by the Diocese from excess reserves, proceeds of life insurance policies on priests and private donations.

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The Diocese has not obtained an actuarial valuation of its priest pension liability as of its fiscal year end, and has not developed the disclosure information required by accounting standards generally accepted in the United States of America. Amounts reported in the balance sheet are based on a measurement of the benefit obligation as of June 30, 2000, which is the latest valuation available.

The funded status of the plan is as follows:

	<u>2010</u>
Pension benefit obligation at June 30, included in liabilities on the statement of financial position (measured on June 30, 2000)	\$ (4,675,635)
Fair value of plan assets transferred to the Trust	<u>7,158,224</u>
Excess of plan assets over pension benefit obligation (prepaid pension costs)	<u>\$ 2,482,589</u>

11) Long-Term Debt

On November 1, 2006, the Louisiana Public Facilities Authority (the Issuer) issued \$17,700,000 Louisiana Public Facilities Authority Variable Rate Demand Revenue Bonds (Diocese of Houma-Thibodaux Project), Series 2006 (the Series 2006 Bonds) pursuant to the terms and conditions of an Indenture of Trust between the Issuer and Regions Bank (the Trustee). The Series 2006 Bonds have a Standard & Poor's rating of "A+/A-1".

The bonds are issued pursuant to the terms and provisions of an Indenture of Trust (the Indenture). The proceeds of the Series 2006 Bonds are for the purpose of (i) financing the reconstruction, rehabilitation, restoration, construction, furnishing, improving and equipping of school buildings and other facilities owned and operated by the Diocese and (ii) paying costs of issuing the Bonds.

The Series 2006 Bonds will bear interest at a variable (market) rate of interest payable on the first business day of each month, commencing the first business day of January 2007, due through December 1, 2036. The interest rate is repriced weekly.

Payment of the principal, interest, and purchase price tender of the Series 2006 Bonds is secured by an irrevocable direct pay letter of credit (the Letter of Credit) issued by Allied Irish Banks, p.l.c., New York Branch (the Letter of Credit Bank) pursuant to the terms and provisions of a Reimbursement Agreement. The Letter of Credit initially expires on December 6, 2013. Failure of the Diocese to renew the Letter of Credit upon its expiration will result in the mandatory redemption of the Series 2006 Bonds.

On July 1, 2007, the Roman Catholic Church of the Diocese of Houma-Thibodaux (the Issuer) issued \$6,480,000 The Roman Catholic Church of the Diocese of Houma-Thibodaux Variable Rate Demand Bonds Series 2007 (the Series 2007 Bonds) pursuant to the terms and provisions of an Indenture of Trust between the Issuer and Regions Bank (the Trustee). The Series 2007 Bonds have a Standard & Poor's rating of "A+/A-1".

The Series 2007 Bonds are issued pursuant to the terms and provisions of an Indenture Trust (the Indenture). The proceeds of the Series 2007 Bonds are for the payment of (i) a portion of the Issuer's unfunded pension liabilities, and (ii) the costs of issuing the Series 2007 Bonds.

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The Series 2007 Bonds will bear interest at a variable (market) rate of interest payable on the first business day of each month, commencing on November 1, 2007, due through December 1, 2037. The interest rate is repriced weekly.

Payment of the principal, interest, and purchase price tender of the Series 2007 Bonds is secured by an irrevocable direct pay letter of credit (the Letter of Credit) issued by Allied Irish Banks, p.l.c. New York Branch (the Letter of Credit Bank) pursuant to the terms and provisions of a Reimbursement Agreement. The Letter of Credit initially expires on December 6, 2013. Failure of the Diocese to renew the Letter of Credit upon its expiration will result in the mandatory tender of the Series 2007 Bonds.

Long-term debt consists of the following at June 30, 2010:

\$17,700,000 demand revenue bonds dated November 1, 2006; due at various intervals through December 1, 2036; initial rate of 3.91%	\$ 13,345,000
\$6,480,000 demand bonds dated November 1, 2007; due at various intervals through December 1, 2037; initial rate of 5.19%	<u>6,480,000</u>
Total long-term debt	<u>\$ 19,825,000</u>

Pursuant to the Reimbursement Agreement, the Bonds mature as follows:

Year Ending June 30,	Principal Amount	Series 2006 Principal Amount	Series 2007 Principal Amount
2011	\$ 480,000	\$ 370,000	\$ 110,000
2012	500,000	385,000	115,000
2013	525,000	400,000	125,000
2014	545,000	415,000	130,000
2015	565,000	430,000	135,000
2016 and thereafter	17,210,000	11,345,000	5,865,000
	<u>\$ 19,825,000</u>	<u>\$ 13,345,000</u>	<u>\$ 6,480,000</u>

Interest Rate Swap Agreement

Objective of the interest rate swap: In order to hedge exposure to interest rate fluctuations on the Bonds, the Diocese entered into an interest rate swap agreement with Allied Irish Banks, p.l.c (the "Provider") as more fully described in the Master Agreement, Schedule to the Master Agreement and Confirmation dated November 28, 2006 (the "Swap Documents"). The Diocese is liable to the Provider to make swap payments and bond payments pursuant to the terms of the bond documents. Capitalized terms used herein but not defined shall have the meaning set forth in the Swap Documents.

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Terms: Under the terms of the Swap, the Diocese pays a fixed rate of 3.91% on the Series 2006 bonds and 5.19% on the Series 2007 bonds, and the Provider pays a variable rate equal to 75% of the 1-month USD-LIBOR rate, as more fully described in the Swap Documents.

Fair Value: The fair value of the swap agreements as of June 30, 2010, which is not reported in the financial statements, was \$3,621,239 in favor of the Provider.

Credit Risk: Credit risk is the risk that the counterparty will not fulfill its obligations. At June 30, 2010, the Diocese is not exposed to credit risk because the swap has a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the Diocese would be exposed to credit risk in the amount of the swap's fair value.

Basis Risk: Basis risk is the risk that arises when variable interest rates on a swap and the associated debt are based on different indexes. The interest rates for both the swap and the bonds are based on LIBOR; therefore, the Diocese is not subject to basis risk.

Termination Risk: The Diocese or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap agreement may be terminated if either party fails to make payment, when due, under the swap agreement; breaches the agreement; made or repeated or deemed to have made or repeated a misrepresentation; bankrupts; or merges without assumption or commits an illegality. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Diocese would be liable to the counterparty for a payment equal to the swap's fair value.

Rollover Risk: Rollover risk is the risk that the swap does not extend to the maturity of the associated debt. The Diocese is not exposed to rollover risk because the swap terminates in conjunction with the maturity of the associated bonds.

Interest Rate Risk: Interest rate risk is the risk that the interest rate will change over some interval while the bonds are outstanding. The Diocese has entered into this fixed rate swap agreement to mitigate interest risk associated with the underlying variable rate bonds.

12) Post-Retirement Benefits Other Than Pensions

The Diocese provides health insurance, long-term care benefits and long-term disability benefits for its retired priests. The benefits provided are coordinated with Medicare and/or are supplemented with other insurance policies provided by the Diocese. At June 30, 2010, the accrued liability for postretirement benefits other than pensions was \$325,010.

The Diocese has not obtained an actuarial valuation of its postretirement health care benefit liability within three months of its fiscal year-end, and has not developed certain information for inclusion and disclosure in the financial statements. The postretirement benefit obligation reported in the balance sheet is an estimate by management.

13) Commitments

The Diocese has contractual obligations and commitments outstanding at June 30, 2010 for renovations or additions to Diocesan parishes, schools and institutions properties for approximately \$1,301,499. Of the total contract obligations, approximately \$320,243 had been paid as of June 30, 2010 and \$981,256 remains to be advanced to the parishes and institutions by way of Central Finance deposit withdrawals or loans.

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Notes to Consolidated Financial Statements

14) Contingencies

The Diocese is named as defendant in various lawsuits and threatened litigation arising from its operations. While the outcome of these lawsuits and threatened litigation cannot be predicted with certainty, management does not expect these matters to have a material adverse effect on the financial condition of the Diocese.

There is no loss accrual provision associated with litigation or threatened litigation contained in the financial statements as management cannot reasonably estimate the range of possible loss, if any.

15) Functional Expenses

The costs of providing various programs and activities are summarized on a functional basis as follows:

Program service expenses:		
Charitable and social services programs	\$ 2,085,630	
Evangelization and education programs	3,897,207	
Central finance program	1,270,416	
Assistance and support for parishes and institutions within the Diocese	3,737,629	
Other programs	<u>538,092</u>	
Total program expenses		\$ 11,528,974
Support service expenses:		
General and administrative expenses	2,778,827	
Stewardship and development expenses	<u>189,779</u>	
Total supporting service expenses		<u>2,968,606</u>
Total expenses		<u>\$ 14,497,580</u>

16) Stewardship and Development

The Diocese has three stewardship and development programs. The first is the Annual Bishop's Appeal, the second is the Stewardship Program for the benefit of parishes within the Diocese and the third is the Catholic School Development Program. The Annual Bishop's Appeal is a program to raise funds for discretionary use by the Diocese in support of various Diocesan, school and parish programs. The Stewardship Program is coordinated by the Diocesan Stewardship Office to assist Parishes of the Diocese in implementing a sacrificial giving program for the benefit of the Parishes. The Catholic School Development Program is coordinated by the Diocesan Office of Catholic Schools to assist the schools of the Diocese in their development efforts.

17) Subsequent Events

Subsequent events have been evaluated through November 18, 2010, the date the financial statements were available for issuance.

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Schedule of Funded Operations and Subsidies
Year Ended June 30, 2010

	St. Lucy Daycare	Cemetery Office	Charity Programs	Insurance and Employee Benefits	Assisi Bridge House
Revenue and other support:					
Income	\$ 312,102	\$ 56,726	\$ 624,845	\$ 3,405,467	\$ 221,757
Net assets released from restrictions	-	-	-	-	-
Total revenues and other support	312,102	56,726	624,845	3,405,467	221,757
Expenses:					
Salaries - lay personnel	113,750	57,090	171,707	167,214	87,085
Salaries - Religious	-	-	31,804	-	-
Payroll taxes	8,559	4,055	12,325	11,697	7,114
Group insurance	36,032	8,908	24,800	28,490	-
Pension and other employee benefits	4,282	3,561	10,119	9,242	6,013
Dues, subscriptions, assessments	-	-	2,964	623	865
Conferences, workshops, travel	1,275	-	7,349	-	10,407
Communications, public relations	-	1,158	2,732	943	411
Business allowance/reimbursement	-	5,670	8,846	23,038	-
Books, pamphlets, etc.	-	-	138	-	-
Workshops, meetings and other program expenses	-	-	201,566	9,178	3,560
Telephone	2,138	56	7,836	-	3,655
Supplies and expenses	18,763	-	7,143	-	2,488
Utilities and occupancy	12,207	-	8,993	-	10,073
Maintenance and repairs	23,171	3,937	10,362	-	15,345
Insurance expense	-	-	8,721	2,151,046	30,416
Claims and related cost	-	-	-	753,431	-
Legal and professional fees	1,680	-	-	-	14,878
Emergency assistance/disaster relief	-	-	51,446	-	6,330
Daycare nutrition program	43,523	-	-	-	-
Cemetery operating expense	-	-	-	-	-
Retreat center operating expense	-	-	-	-	-
Newspaper production and circulation expense	-	-	-	-	-
Renovation/equipment	-	-	-	-	16,020
Central Finance Interest and administration	-	-	-	-	-
Total expenses	265,360	84,435	568,851	3,154,902	214,660
Excess (deficiency) of income over expenses	46,742	(27,709)	55,994	250,565	7,097
Administrative transfers	-	-	50,000	-	-
Change in net assets	46,742	(27,709)	105,994	250,565	7,097
Net assets at beginning of year	-	391,229	406,116	1,648,292	81,354
Net assets at end of year	\$ 46,742	\$ 363,520	\$ 512,110	\$ 1,898,857	\$ 88,451

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Schedule of Funded Operations and Subsidies
Year Ended June 30, 2010

	Assisi Bridge House Phase 4	Catholic Housing Service	Micro- Enterprise Program	Foster Grandparent Program	St. Joseph Cemetery
Revenue and other support:					
Income	\$ 26,989	\$ 41,811	\$ 10,184	\$ 359,448	\$ 295,672
Net assets released from restrictions	-	-	-	-	44,762
Total revenues and other support	26,989	41,811	10,184	359,448	340,434
Expenses:					
Salaries - lay personnel	11,900	49,283	35,587	60,042	108,057
Salaries - Religious	-	-	-	-	-
Payroll taxes	-	3,412	2,573	4,071	9,870
Group Insurance	-	8,219	8,261	12,370	28,169
Pension and other employee benefits	-	2,459	1,549	2,772	8,252
Dues, subscriptions, assessments	-	200	-	120	3,013
Conferences, workshops, travel	-	1,398	-	27,751	-
Communications, public relations	-	-	367	-	-
Business allowance/reimbursement	-	86	410	2,963	-
Books, pamphlets, etc.	-	-	-	-	-
Workshops, meetings and other program expenses	-	53,370	-	242,877	-
Telephone	262	2,740	2,051	2,196	-
Supplies and expenses	-	1,008	424	6,778	8,799
Utilities and occupancy	9,219	3,456	1,440	-	4,808
Maintenance and repairs	122	-	-	-	3,651
Insurance expense	175	-	-	898	5,093
Claims and related cost	-	-	-	-	-
Legal and professional fees	284	1,385	176	290	-
Emergency assistance/disaster relief	-	-	-	-	-
Daycare nutrition program	-	-	-	-	-
Cemetery operating expense	-	-	-	-	110,329
Retreat center operating expense	-	-	-	-	-
Newspaper production and circulation expense	-	-	-	-	-
Renovation/equipment	-	-	-	-	-
Central Finance interest and administration	-	-	-	-	-
Total expenses	21,942	127,016	52,838	362,928	288,041
Excess (deficiency) of income over expenses	5,047	(85,205)	(42,654)	(3,480)	52,393
Administrative transfers	-	-	-	-	-
Change in net assets	5,047	(85,205)	(42,654)	(3,480)	52,393
Net assets at beginning of year	30,064	834,902	501,228	3,480	1,267,485
Net assets at end of year	\$ 35,111	\$ 749,697	\$ 458,574	\$ -	\$ 1,319,878

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Schedule of Funded Operations and Subsidies
Year Ended June 30, 2010

	Lumen Christi	Bayou Catholic	Central Finance	Disaster Services	Total
Revenue and other support:					
Income	\$ 304,241	\$ 214,115	\$ 2,291,550	\$ 627,516	\$ 8,792,423
Net assets released from restrictions	-	-	-	-	44,762
Total revenues and other support	304,241	214,115	2,291,550	627,516	8,837,185
Expenses:					
Salaries - lay personnel	145,849	193,979	-	17,042	1,216,585
Salaries - Religious	1,900	-	-	-	33,704
Payroll taxes	10,583	13,606	-	1,251	89,116
Group insurance	30,868	25,668	-	3,090	214,873
Pension and other employee benefits	8,646	12,961	-	620	70,456
Dues, subscriptions, assessments	48	4,711	-	-	12,544
Conferences, workshops, travel	-	5,333	-	-	53,513
Communications, public relations	2,284	1,798	-	175	9,868
Business allowance/reimbursement	269	20,961	-	979	63,222
Books, pamphlets, etc.	-	1,140	-	4,175	5,453
Workshops, meetings and other program expenses	125	-	-	-	510,476
Telephone	-	-	-	163	21,097
Supplies and expenses	20,108	4,931	-	8,425	78,867
Utilities and occupancy	48,534	-	-	-	98,730
Maintenance and repairs	42,986	-	-	484	100,038
Insurance expense	53,883	-	-	-	2,250,232
Claims and related cost	-	-	-	-	753,431
Legal and professional fees	-	700	-	-	19,373
Emergency assistance/disaster relief	-	-	-	488,489	546,265
Daycare nutrition program	-	-	-	-	43,523
Cemetery operating expense	-	-	-	-	110,329
Retreat center operating expense	51,358	-	-	-	51,358
Newspaper production and circulation expense	-	285,221	-	-	285,221
Renovation/equipment	-	-	-	-	16,020
Central Finance interest and administration	-	-	1,270,416	-	1,270,416
Total expenses	417,441	571,007	1,270,416	524,873	7,924,710
Excess (deficiency) of income over expenses	(113,200)	(356,892)	1,021,134	102,643	912,475
Administrative transfers	159,700	300,000	-	(102,643)	407,057
Change in net assets	46,500	(56,892)	1,021,134	-	1,319,532
Net assets at beginning of year	(85,537)	(409,850)	(1,975,672)	-	2,693,091
Net assets at end of year	\$ (39,037)	\$ (466,742)	\$ (954,538)	\$ -	\$ 4,012,623

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Schedule of Operating Expenses
Year Ended June 30, 2010

	General	Computer	Technology		Building	Formation	Tribunal
	Administration	Operations	Bishop's Residence	Support Program	Office	Office	Office
Salaries - lay personnel	\$ 283,560	\$ 53,004	\$ 18,117	\$ 34,523	\$ 34,020	\$ 19,683	\$ 44,246
Payroll taxes	19,995	3,780	1,341	2,850	2,855	1,414	3,378
Group insurance	218,992	7,338	7,039	4,513	3,971	1,181	6,180
Pension and other employee benefits	18,897	3,175	1,065	2,434	2,416	1,377	2,381
Religious salaries and pension	32,506	-	-	-	-	-	-
Dues, subscriptions, assessments, etc.	2,783	-	343	-	425	185	250
Conferences, workshops, & travel	6,291	736	-	51	-	321	6,830
Communications & public relations	8,579	325	-	89	190	181	227
Business allowance/reimbursement	17,816	8,015	-	4,050	-	1,539	22
Books, pamphlets, etc.	161	-	15	-	4,860	-	35
Special functions	16,242	-	-	-	-	-	-
Furnishings and fixtures	-	-	1,458	-	-	-	-
Hospital chapel expenses	86,586	-	-	-	-	-	-
Telephone	15,911	1,796	1,940	255	-	-	-
Young adult ministry	49,343	-	-	-	-	-	-
U.S. Catholic Conference	21,388	-	-	-	-	-	-
Papal quota	22,215	-	-	-	-	-	-
Louisiana Catholic Conference	30,381	-	-	-	-	-	-
Computer replacement	39,833	2,589	-	-	-	-	-
Building maintenance & repairs	25,774	-	-	-	-	-	-
Equipment maintenance & repairs	-	19,722	5,311	651	-	-	882
Office supplies	18,770	31,826	9,583	18,212	(709)	-	145
Accounting fees	38,310	-	-	-	-	-	-
Utilities	38,953	-	7,614	-	-	-	-
Legal fees/professional services	40,272	-	-	-	-	-	-
Postage	25,814	-	-	-	-	-	-
Copying and printing	10,689	-	-	-	-	-	-
Contributions	54,002	-	-	-	-	-	-
Priest retreats & continuing education	24,875	-	-	-	-	-	-
Program expenses	48,130	-	-	-	-	98,124	8,710
Departmental workshops	-	-	-	-	-	-	-
Series 2006 bond issuance amortization	21,173	-	-	-	-	-	-
Series 2006 bond interest, net	1,036,838	-	-	-	-	-	-
Series 2007 bond issuance amortization	6,717	-	-	-	-	-	-
Series 2007 bond interest, net	541,851	-	-	-	-	-	-
	<u>\$ 2,823,647</u>	<u>\$ 132,306</u>	<u>\$ 53,828</u>	<u>\$ 65,428</u>	<u>\$ 47,828</u>	<u>\$ 124,005</u>	<u>\$ 74,284</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU**
*Schedule of Operating Expenses
Year Ended June 30, 2010*

	Office of Family Ministries	Office of Youth Ministries	Archives	Office of Worship	Cemeteries Trust	Commun. Office	Catholic Schools Office
Salaries - lay personnel	\$ 113,166	\$ 81,933	\$ 32,255	\$ 38,442	\$ 11,276	\$ 50,018	\$ 94,833
Payroll taxes	7,712	7,039	2,426	2,918	798	3,702	8,389
Group insurance	24,782	12,721	6,692	7,584	2,165	-	17,515
Pension and other employee benefits	5,995	3,660	770	2,387	592	2,975	4,084
Religious salaries and pension	-	-	-	9,659	-	2,334	34,458
Dues, subscriptions, assessments, etc.	484	1,979	-	2,839	-	-	1,119
Conferences, workshops, & travel	1,529	662	-	831	-	185	148
Communications & public relations	898	739	390	190	-	1,029	1,075
Business allowance/reimbursement	8,363	8,661	-	4,350	810	2,480	11,500
Books, pamphlets, etc.	37	-	330	3,626	-	1,936	373
Special functions	-	-	-	-	-	-	-
Furnishings and fixtures	-	-	-	-	-	-	-
Hospital chapel expenses	-	-	-	-	-	-	-
Telephone	-	77	-	-	-	-	-
Young adult ministry	-	-	-	-	-	-	-
U.S. Catholic Conference	-	-	-	-	-	-	-
Papal quota	-	-	-	-	-	-	-
Louisiana Catholic Conference	-	-	-	-	-	-	-
Computer replacement	-	-	-	-	-	-	-
Building maintenance & repairs	-	-	-	-	-	-	-
Equipment maintenance & repairs	839	5,444	1,740	-	-	-	-
Office supplies	233	69	1,546	1,092	-	-	565
Accounting fees	-	-	-	-	5,575	-	-
Utilities	-	-	7,896	-	-	-	-
Legal fees/professional services	-	-	-	-	-	-	-
Postage	-	-	-	-	-	-	-
Copying and printing	-	-	-	-	-	-	-
Contributions	-	-	-	-	-	-	-
Priest retreats & continuing education	-	-	-	-	-	-	-
Program expenses	25,334	206,987	44,580	-	-	88,498	238,874
Departmental workshops	-	-	-	7,870	-	-	-
Series 2006 bond issuance amortization	-	-	-	-	-	-	-
Series 2006 bond interest, net	-	-	-	-	-	-	-
Series 2007 bond issuance amortization	-	-	-	-	-	-	-
Series 2007 bond interest, net	-	-	-	-	-	-	-
	<u>\$ 189,372</u>	<u>\$ 339,971</u>	<u>\$ 98,725</u>	<u>\$ 81,788</u>	<u>\$ 21,216</u>	<u>\$ 153,157</u>	<u>\$ 412,833</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU**
*Schedule of Operating Expenses
Year Ended June 30, 2010*

	Safe Environment Compliance	Conference Office	Education to Ministry	Stewardship Office	Religious Education Office	Pastoral Staffing Office	Total
Salaries - lay personnel	\$ -	\$ -	\$ 51,663	\$ 69,579	\$ 144,954	\$ 60,845	\$ 1,246,117
Payroll taxes	-	-	3,743	4,988	10,831	4,026	91,783
Group insurance	-	-	12,394	10,593	23,700	24,983	392,343
Pension and other employee benefits	-	-	2,100	3,167	5,533	3,006	66,014
Religious salaries and pension	-	-	-	-	-	49,102	128,059
Dues, subscriptions, assessments, etc.	-	-	850	1,612	772	237	13,878
Conferences, workshops, & travel	2,597	-	433	689	8,810	4,626	34,739
Communications & public relations	190	-	19,188	12,358	2,145	1,493	49,286
Business allowance/reimbursement	-	-	259	7,376	9,098	20,440	104,779
Books, pamphlets, etc.	-	-	-	-	-	3,250	14,623
Special functions	-	-	-	270	-	-	16,512
Furnishings and fixtures	-	-	-	-	-	-	1,458
Hospital chapel expenses	-	-	-	-	-	-	86,586
Telephone	-	-	-	-	-	-	19,979
Young adult ministry	-	-	-	-	-	-	49,343
U.S. Catholic Conference	-	-	-	-	-	-	21,388
Papal quota	-	-	-	-	-	-	22,215
Louisiana Catholic Conference	-	-	-	-	-	-	30,381
Computer replacement	-	-	-	-	-	-	42,422
Building maintenance & repairs	-	-	-	-	-	-	25,774
Equipment maintenance & repairs	-	-	-	-	-	-	34,589
Office supplies	10,283	-	3,918	838	2,022	4,027	100,420
Accounting fees	2,859	-	-	-	-	-	46,744
Utilities	-	-	5,702	-	-	-	60,265
Legal fees/professional services	7,287	-	-	-	-	-	47,559
Postage	-	-	-	12,357	-	-	38,171
Copying and printing	-	-	-	8,189	-	-	18,888
Contributions	-	-	-	-	-	-	54,002
Priest retreats & continuing education	-	-	-	-	-	-	24,875
Program expenses	-	588,538	623,356	57,753	34,107	10,479	2,074,470
Departmental workshops	-	-	-	-	759	-	8,629
Series 2006 bond issuance amortization	-	-	-	-	-	-	21,173
Series 2006 bond interest, net	-	-	-	-	-	-	1,036,838
Series 2007 bond issuance amortization	-	-	-	-	-	-	6,717
Series 2007 bond interest, net	-	-	-	-	-	-	541,851
	<u>\$ 23,218</u>	<u>\$ 588,538</u>	<u>\$ 723,606</u>	<u>\$ 189,779</u>	<u>\$ 242,731</u>	<u>\$ 186,514</u>	<u>\$ 6,572,870</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU**
Schedule of Income of Funded Operations
Year Ended June 30, 2010

Cemeteries Office

Commissions on mausoleum sales	\$	51,716	
Burial fees		<u>5,010</u>	\$ 56,726

St. Lucy Daycare

Service fees		194,784	
Nutrition program income		35,075	
Grants		80,411	
Grants		<u>1,832</u>	312,102

Catholic Charities Programs:

Christmas collection - quota		192,805	
Grants		13,028	
Human development		18,607	
Donations		332,425	
Federal emergency assistance		15,824	
Other income		<u>52,156</u>	624,845

Diocesan Insurance Program:

Parish insurance revenue		1,958,008	
High school insurance revenue		622,589	
Other insurance revenue		<u>824,870</u>	3,405,467

Assisi Bridge House:

Federal and state grants		142,350	
United Way allocations		61,722	
Service fees		6,795	
Contributions & special events		<u>10,890</u>	221,757

Assisi Bridge House Phase IV:

Federal and state grants		21,344	
Service fees		<u>5,645</u>	26,989

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU**
Schedule of Income of Funded Operations
Year Ended June 30, 2010

Catholic Housing Service:

Interest earned on designated reserve	14,381	
Grants and donations	<u>27,430</u>	41,811

Micro Enterprise Program:

Interest earned on designated reserve		10,184
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Foster Grandparent Program:

Federal grant	358,948	
Other income	<u>500</u>	359,448

St. Joseph Cemetery:

Sales of tombs, vaults & crypts	121,675	
Dues, fees and commissions	147,537	
Interest earned on surplus funds	16,668	
Other income and assets released from restrictions	<u>54,554</u>	340,434

Lumen Christi Retreat Center:

Retreat fees		304,241
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H-T Publishing Company:

Advertising	212,608	
Other income	<u>1,507</u>	214,115

Central Finance:

Investment return		2,291,550
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Disaster Services

Grants and donations		<u>627,516</u>
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<u>\$ 8,837,185</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU**
Schedule of Other Undistributed Funds
Year Ended June 30, 2010

<u>Other Undistributed Funds</u>				
	<u>Beginning Balance</u>	<u>Receipts</u>	<u>Distributions & Transfers</u>	<u>Ending Balance (included in Accounts Payable - other)</u>
<u>Diocesan and National Collections:</u>				
Campaign for Human Development \$	222	\$ 35,189	\$ 35,392	\$ (1)
Peter's Pence collection	19,607	27,988	32,850	14,755
Bishop's Welfare Fund	484	37,545	37,066	963
Special Diocesan Collection	-	309,908	191,220	118,688
Holy Land	4,773	26,833	2,071	29,535
Communications	622	23,303	13,772	10,153
Rice Bowl	1,288	29,795	9,578	21,505
Latin American Church	195	30,993	29,664	1,524
Black and Indian missions	281	31,640	5,060	26,861
Catholic University collection	33	22,931	21,881	1,083
Catholic Home mission	2,579	27,219	1,981	27,817
Total Diocesan collections	<u>30,084</u>	<u>603,334</u>	<u>380,535</u>	<u>252,883</u>
Total Undistributed Funds - Other	<u>\$ 30,084</u>	<u>\$ 603,334</u>	<u>\$ 380,535</u>	<u>\$ 252,883</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU**
*Schedule of Seminary Burse Funds
June 30, 2010 and 2009*

The following is a listing of burse funds that have been received by the Diocese since the burse program was instituted by the Diocese. These funds are permanently restricted and the principal amount is to remain intact with only the income being used for the purpose of educating seminarians.

	<u>2010</u>	<u>2009</u>
Harry Booker	\$ 19,138	\$ 19,138
Judge & Mrs. L. P. Caillouet	15,000	15,000
Harvey Peltier	460,487	460,487
Endowment fund	119,137	119,137
Fr. Kasimir Chmielewski	4,839	4,839
Mr. George Fakier, Sr.	6,000	5,500
Fr. Peter Nies	5,368	5,368
Mr. & Mrs. John Marmande	700	700
Mr. Eledier Broussard	10,500	10,500
Msgr. Joseph Wester	15,000	15,000
Mr. & Mrs. Caliste Duplantis	50,000	50,000
Rev. Charles Menard	15,000	15,000
Rev. Kermit Trahan	15,000	15,000
H. Clay Duplantis, Sr. and Evelida		
Daspit Duplantis	25,000	25,000
Msgr. Raphael C. Labit	25,480	25,360
Dr. & Mrs. H. P. St. Martin	20,000	20,000
C. Remie Duplantis	25,000	25,000
Rev. Clemens Schneider	1,000	1,000
St. Jude	3,000	3,000
Mrs. Marie E. Duplantis	25,000	25,000
Maude and Edith Daspit	25,000	25,000
Rev. Henry Naquin	3,185	2,826
Rev. Anthony Russo	700	650
Rev. Adrian J. Caillouet	15,000	15,000
Rev. William M. Fleming	5,000	5,000
Bishop Warren L. Boudreaux	46,000	46,000
Msgr. George A. Landry	10,000	10,000
Diocesan K of C	17,895	17,895
Fr. Victor Toth	7,000	7,000
Catholic Daughters	2,530	2,060
Claude Bergeron	150	125
Anawim Community	1,300	1,100
J.R. Occhipinti	3,400	3,400
St. Joseph Italian Society	1,000	1,000

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU**
Schedule of Seminary Burse Funds, continued
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Mr. & Mrs. Arthur Naquin, Sr.	150	150
Mr. & Mrs. Galip Jacobs	2,060	2,000
Robert Wright, Jr.	15,000	15,000
Warren J. Harang, Jr.	15,500	15,400
Bishop L. Abel Caillouet	15,000	15,000
Monsignor Lucien J. Caillouet	15,000	15,000
Father James Louis Caillouet	15,000	15,000
Vincent Cannata, Sr.	15,000	870
Rev. Peter H Brewerton	2,600	2,600
Rev. Msgr. John L. Newfield	1,200	1,100
Orleans & Louelle Pitre	15,000	15,000
Minor Sr. and Lou Ella Cheramie	15,000	15,000
Mr. & Mrs. Anthony Cannata	500	500
Kelly Curole Frazier	3,301	3,151
Msgr. Stanislaus Manikowski	1,025	1,025
Mrs. Ayres A. Champagne	1,485	1,485
Harold & Gloria Callais Family	15,000	15,000
Joseph "Jay" Fertitta	2,090	1,675
Rev. Msgr. William Koninkx	3,000	2,500
Deacon Edward J. Blanchard	660	260
James J. Buquet Jr.	650	50
Msgr. John G. Keller	1,000	500
Msgr. Emile J. Fossier	1,545	1,545
Rev. H.C. Paul Daigle	1,300	1,300
Richard Peltier	15,300	15,300
Brides of the Most Blessed Trinity	2,100	900
Deacon Robert Dusse'	450	250
Deacon Willie Orgeron	750	250
Donald Peltier	13,100	1,100
St. Bernadette Men's Club	2,800	1,550
Peter W. Callais	15,000	1,650
Rev. Robert J. Sevigny	950	350
Msgr. Francis J. Legendre	16,645	1,595
Mr./Mrs. Love W. Pellegrin	5,000	5,000
Sidney J. & Lydie C. Duplantis	10,800	2,100
Deacon Raymond Lebouef	550	-
Paul Abdon Callais	15,000	-
Deacon Roland Dufrene	50	-
Rev. Gerard Hayes	3,626	-
	<u>\$ 1,258,996</u>	<u>\$ 1,168,241</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX**
Schedule of Accounts Receivable
June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<u>Accounts Receivable</u>		
Miscellaneous receivables	<u>\$ 375,642</u>	<u>\$ 555,741</u>
	<u>\$ 375,642</u>	<u>\$ 555,741</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU**
*Schedule of Parish Deposits
June 30, 2010 and 2009*

	<u>2010</u>	<u>2009</u>
01 Amelia, St. Andrew	\$ 93,493	\$ 66,843
02 Chacahoula, St. Lawrence	44,734	27,768
03 Chackbay, Our Lady of Prompt Succor	15,561	13,473
05 St. Charles Community, St. Charles Borromeo	173,754	187,846
06 Morgan City, Holy Cross	442,508	358,320
07 Morgan City, Sacred Heart	445,722	305,602
08 Schriever, St. Bridget	22,168	19,524
09 Thibodaux, St. Genevieve	-	53,863
10 Thibodaux, St. John	36,539	56,897
11 Thibodaux, St. Joseph	628,967	877,162
12 Kraemer, St. Lawrence the Martyr	24,390	14,989
14 Mathews, St. Hilary of Poitiers	526,501	613,340
16 Larose, Our Lady of the Rosary	4,366	-
17 Cut Off, Sacred Heart	118,859	206,519
18 Galliano, St. Joseph	543,556	581,182
19 Golden Meadow, Our Lady of Prompt Succor	465,211	611,650
20 Grand Isle, Our Lady of the Isle	204,871	464,650
21 Bayou Black, St. Anthony	457,045	457,225
22 Bayou Blue, St. Louis	30,245	31,759
23 Bourg, St. Ann	307,378	242,718
24 Chauvin, St. Joseph	199,111	203,537
25 Houma, Holy Family	336,272	388,586
27 Houma, Holy Rosary	15,587	-
29 Houma, St. Bernadette	589,065	359,076
30 Houma, St. Francis de Sales	150,398	124,167
31 Houma, St. Gregory	64,489	-
34 Theriot, St. Eloi	203,130	233,170
35 Thibodaux, St. Thomas	15,388	13,664
37 Choctaw, St. James Mission	38,930	36,185
38 Thibodaux, St. Luke	46,328	26,801
39 Amelia, Thanh Gia (Holy Family)	331,434	336,492
40 Stephenville, St. Rosalie Mission	52,161	71,096
41 Gheens, The Community of St. Anthony	25,199	24,328
42 Thibodaux, Christ the Redeemer	177,497	115,671
43 Houma, St. Lucy	2,309	3,303
	<u>\$ 6,833,166</u>	<u>\$ 7,125,206</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX**
*Schedule of Parish and School Loans Receivable
June 30, 2010 and 2009*

		<u>2010</u>	<u>2009</u>
09	Thibodaux, St. Genevieve	\$ 219,182	\$ -
13	Raceland, St. Mary	1,672,545	1,262,172
15	Lockport, Holy Savior	235,140	216,237
16	Larose, Our Lady of the Rosary	-	79,520
26	Houma, Annunziata	164,070	334,243
27	Houma, Holy Rosary	-	23,553
28	Houma, Maria Immacolata	328,321	497,427
31	Houma, St. Gregory	-	15,418
32	Montegut, Sacred Heart	175,013	71,465
33	Pointe-aux-Chenes, St. Charles	53,551	57,930
43	Houma, St. Lucy	-	-
152	Houma, Vanderbilt Catholic High School	848,713	860,768
153	Thibodaux, Edward Douglas White High School	<u>2,702,286</u>	<u>2,240,454</u>
		<u>\$ 6,396,821</u>	<u>\$ 5,659,187</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU**
*Schedule of Institutional Deposits
June 30, 2010 and 2009*

		<u>2010</u>	<u>2009</u>
06	Morgan City, Holy Cross	\$ 857,487	\$ 831,951
09	Thibodaux, St. Genevieve	1,925,223	1,847,767
11	Thibodaux, St. Joseph	2,834,198	2,597,950
13	Raceland, St. Mary's Nativity	450,072	393,855
15	Lockport, Holy Savior	464,440	398,952
16	Larose, Our Lady of the Rosary	466,296	534,504
28	Houma, Maria Immacolata	503,420	572,365
29	Houma, St. Bernadette Soubirous	1,254,748	1,335,639
30	Houma, St. Francis de Sales	2,734,837	2,948,693
31	Houma, St. Gregory	275,712	173,731
151	Central Catholic High School	732,917	750,205
152	Vandebilt Catholic High School	3,904,801	3,963,541
153	Edward Douglas White High School	4,704,834	4,415,885
430	St. Francis Prepaid Tuition	51,418	57,994
453	Edward Douglas White Foundation	240,078	231,193
		<u>\$ 21,400,481</u>	<u>\$ 21,054,225</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAux**
*Schedule of Cemetery Operating Deposits
June 30, 2010 and 2009*

		<u>2010</u>	<u>2009</u>
01	Amelia, St. Andrew	\$ 25,923	\$ 24,732
02	Chacahoula, St. Lawrence	5,704	4,958
03	Chackbay, Our Lady of Prompt Succor	265,735	299,132
04	Gibson, St. Patrick	7,764	7,611
05	St. Charles Community, St. Charles Borromeo	122,485	125,320
08	Schriever, St. Bridget	85,979	90,599
10	Thibodaux, St. John the Evangelist	122,532	103,320
11	Thibodaux, St. Joseph	860,793	812,495
12	Kraemer, St. Lawrence the Martyr	37,364	41,948
13	Raceland, St. Mary's Nativity	531,990	586,605
14	Mathews, St. Hilary of Poitiers	362,307	342,429
15	Lockport, Holy Savior	188,748	235,630
16	Larose, Our Lady of the Rosary	235,065	257,036
17	Cut Off, Sacred Heart	386,512	372,710
18	Galliano, St. Joseph	101,933	97,687
19	Golden Meadow, Our Lady of Prompt Succor	67,230	85,172
22	Bayou Blue, St. Louis	193,622	194,370
23	Bourg, St. Ann	282,276	286,407
24	Chauvin, St. Joseph	1,021,312	1,013,723
25	Grand Caillou, Holy Family	133,774	151,886
27	Houma, Our Lady of the Most Holy Rosary	578,416	554,754
30	Houma, St. Francis de Sales	408,543	463,226
32	Montegut, Sacred Heart	183,864	179,572
33	Pointe-Aux-Chenes, St. Charles Borromeo	173,680	168,571
34	Theriot, St. Eloi	305,305	329,676
37	Choctaw, St. James Mission	89,573	88,414
41	Gheens, St. Anthony	25,904	24,014
		<u>\$ 6,804,333</u>	<u>\$ 6,941,995</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU**
*Schedule of Parish and School Endowment Funds
June 30, 2010 and 2009*

		<u>2010</u>	<u>2009</u>
Parish Endowments:			
06	Morgan City, Holy Cross	\$ 170,000	\$ 170,000
08	Schriever, St. Bridget	145,000	145,000
09	Thibodaux, St. Genevieve	500,000	500,000
11	Thibodaux, St. Joseph	2,000,000	2,000,000
14	Matthews, St. Hilary	120,091	116,546
15	Lockport, Holy Savior	50,000	50,000
18	Galliano, St. Joseph	480,000	480,000
24	Chauvin, St. Joseph	2,366,179	2,366,179
27	Houma, Holy Rosary	25,841	25,841
30	Houma, St. Francis de Sales	<u>545,030</u>	<u>535,030</u>
	Total Parish Endowments	<u><u>\$ 6,402,141</u></u>	<u><u>\$ 6,388,596</u></u>
School Endowments:			
06	Morgan City, Holy Cross	\$ 1,210,000	\$ 1,160,000
09	Thibodaux, St. Genevieve	111,600	111,100
11	Thibodaux, St. Joseph	3,006,550	3,006,550
13	Raceland, St. Mary	17,044	17,044
15	Lockport, Holy Savior	100,000	100,000
16	Larose, Our Lady of the Rosary	334,017	324,767
29	Houma, St. Bernadette	206,760	203,053
30	Houma, St. Francis de Sales	189,493	187,868
151	Central Catholic High School	1,151,000	1,151,000
152	Vandebilt Catholic High School	650,888	617,558
153	Edward Douglas White High School	<u>2,413,747</u>	<u>2,411,013</u>
	Total School Endowments	<u><u>\$ 9,391,099</u></u>	<u><u>\$ 9,289,953</u></u>

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU
Schedule of Operations of Parishes and Institutions (Unaudited)
Year Ended June 30, 2010

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Schedule 12

	Income	Expenditures	Excess (Deficiency) Of Income Over Expenditures
Amelia, Thanh Gia (Holy Family)	\$ 115,676	\$ 125,631	\$ (9,955)
Amelia, St. Andrew	199,079	173,371	25,708
Chacahoula, St. Lawrence	114,994	104,850	10,144
Chackbay, Our Lady of Prompt Succor	390,024	374,531	15,493
St. Charles Community, St. Charles Borromeo	244,587	256,941	(12,354)
Morgan City, Holy Cross	1,857,453	1,738,221	119,232
Stephensville, St. Rosalie Mission	24,213	38,919	(14,706)
Morgan City, Sacred Heart	616,553	482,616	133,937
Schriever, St. Bridget	277,227	271,672	5,555
Thibodaux, Christ the Redeemer	394,911	345,930	48,981
Thibodaux, St. Genevieve	2,556,232	2,339,806	216,426
Thibodaux, St. John	226,586	242,848	(16,262)
Thibodaux, St. Joseph	4,375,995	4,207,079	168,916
Kraemer, St. Lawrence	172,644	162,555	10,089
Choctaw, St. James Mission	43,511	37,013	6,498
Raceland, St. Mary	1,255,949	1,320,851	(64,902)
Mathews, St. Hilary	450,496	513,897	(63,401)
Lockport, Holy Savior	1,477,706	1,459,619	18,087
Gheens, St. Anthony	79,445	79,973	(528)
Larose, Our Lady of the Rosary	1,590,346	1,494,077	96,269
Cut Off, Sacred Heart	469,642	531,906	(62,264)
Galliano, St. Joseph	229,880	269,707	(39,827)
Golden Meadow, Our Lady of Prompt Succor	457,302	541,326	(84,024)
Grand Isle, Our Lady of the Isle	265,688	283,745	(18,057)
Bayou Black, St. Anthony	448,785	407,414	41,371
Bayou Blue, St. Louis	361,519	349,019	12,500
Bourg, St. Ann	465,014	311,363	153,651
Chauvin, St. Joseph	506,280	473,291	32,989
Grand Caillou, Holy Family	152,789	206,657	(53,868)
Houma, Annunziata	663,281	482,091	181,190
Houma, Holy Rosary	461,367	415,836	45,531
Houma, Maria Immacolata	1,494,389	1,294,987	199,402
Houma, St. Bernadette	3,054,354	2,716,071	338,283
Houma, St. Francis	4,052,781	4,003,691	49,090
Houma, St. Gregory	1,317,103	1,064,492	252,611
Montegut, Sacred Heart	96,125	189,623	(93,498)
Pointe-Aux-Chenes, St. Charles	131,614	123,976	7,638
Theriot, St. Eloi	149,427	158,087	(8,660)
Thibodaux, St. Thomas	283,012	287,285	(4,273)
Thibodaux, St. Luke	212,043	197,775	14,268
Houma, St. Lucy	192,189	2,496	189,693
Central Catholic High School	2,163,405	2,168,953	(5,548)
Edward Douglas White High School	4,885,035	4,883,165	1,870
Vandebilt Catholic High School	6,129,197	6,129,197	-
Grand Totals	<u>\$ 45,105,848</u>	<u>\$ 43,262,553</u>	<u>\$ 1,843,295</u>

See accountant's report.

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA THIBODAUX, OFFICES AND INSTITUTIONS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year Ended June 30, 2010

Federal Granting Agency/Recipient State Agency/Grant Program	GRANT NUMBER	CFDA NUMBER	FEDERAL EXPENDITURES
<u>DEPARTMENT OF HEALTH AND HUMAN SERVICES</u>			
<u>Pass through payments from State Dept. of Health and Hospitals</u>			
Block Grants for Prevention and Treatment of Substance Abuse	587197/589291	93.959	\$ 163,694
<u>CORPORATION FOR NATIONAL AND COMMUNITY SERVICE</u>			
<u>Direct Programs:</u>			
Foster Grandparent Program	07SFWLA004	94.011	358,948
<u>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
<u>Pass through payments from Catholic Charities USA</u>			
Housing Counseling Assistance Program	N/A	14.169	10,430
<u>DEPARTMENT OF HOMELAND SECURITY</u>			
<u>Pass through from Department of Military Affairs</u>			
Public Assistance Grants	N/A	97.036	15,824
<u>DEPARTMENT OF AGRICULTURE</u>			
<u>Pass through payments from State Dept. of Education</u>			
Child and Adult Care Food Program	CC93-362	10.558	35,075
Total program expenditures			\$ 583,971

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Central Administrative Offices of the Roman Catholic Church of the Diocese of Houma-Thibodaux, Offices and Institutions, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts on this schedule may differ from amounts presented in, or used in the preparation of, the consolidated financial statements.

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU, OFFICES AND INSTITUTIONS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2010**

SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses a qualified opinion on the financial statements of the Central Administrative Offices of the Roman Catholic Church of the Diocese of Houma-Thibodaux, Offices and Institutions (Diocese).
2. No deficiencies relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.
3. One instance of noncompliance material to the financial statements of the Diocese was disclosed during the audit.
4. No deficiencies relating to the audit of the major federal award program are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program for the Diocese expresses an unqualified opinion on the major federal programs.
6. No audit findings relative to the major federal award program for the Diocese are reported in this Schedule.
7. The programs tested as a major program include:

Foster Grandparent Program – CFDA No. 94.011
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The Diocese was not determined to be a low-risk auditee.

FINDINGS – FINANCIAL STATEMENT AUDIT

2010-1 DEPARTURES FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Condition: Several departures from accounting principles generally accepted in the United States of America were noted in the independent auditors' report on the financial statements.

Criteria: Louisiana audit laws require quasi-public entities prepare financial statements in accordance with generally accepted accounting principles.

Cause: Management believes the cost of correcting these departures from generally accepted accounting principles exceeds the benefit to the organization.

Effect: The departures result in a qualified opinion on the financial statements.

Recommendation and Response: See Management's Corrective Action Plan.

FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAM AUDIT

None

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A PROFESSIONAL CORPORATION

THOMAS J. LANAUX, CPA
MARK S. FELGER, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

His Excellency
Most Reverend Sam G. Jacobs, D.D.
Bishop of the Diocese of Houma-Thibodaux

We have audited the consolidated financial statements of the Central Administrative Offices of the Roman Catholic Church of the Diocese of Houma-Thibodaux, Offices and Institutions (Diocese), as of and for the year ended June 30, 2010, and have issued our report thereon dated November 18, 2010, which was qualified as follows:

- As discussed in Note 1 to the consolidated financial statements, a provision for depreciation expense has not been provided, and
- As discussed in Note 1 to the consolidated financial statements, the statements do not include the operations of the high schools owned and operated by the Diocese, nor do they include certain assets, liabilities, and net assets of the high schools, and
- As discussed in Note 10 to the consolidated financial statements, the Diocese did not obtain an actuarial valuation of its priest pension liability within 90 days of year-end and was not able to develop certain pension information within 90 days of year-end for inclusion and disclosure in the consolidated financial statements, and
- As discussed in Note 10 to the consolidated financial statements, the Diocese did not obtain an actuarial valuation of its liability for postretirement health care benefits within 90 days of year-end and was not able to develop certain information within 90 days of year-end for inclusion in the consolidated financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Diocese's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Diocese's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Diocese's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Diocese's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2010-1.

The Diocese's response to the finding identified in our audit is described in the accompanying Management's Corrective Action Plan. We did not audit the Diocese's response and, accordingly, we express no opinion on it.

This report is intended for the information of the finance council, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Houma, Louisiana
November 18, 2010

A handwritten signature in black ink, appearing to read "Lanaux & Feltz", with a long, sweeping horizontal line extending to the right.

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

His Excellency
Most Reverend Sam G. Jacobs, D.D.
Bishop of the Diocese of Houma-Thibodaux

Compliance

We have audited the compliance of the Central Administrative Offices of the Roman Catholic Church of the Diocese of Houma-Thibodaux, Offices and Institutions (Diocese) with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2010. The Diocese's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Diocese's management. Our responsibility is to express an opinion on the Diocese's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Diocese's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Diocese's compliance with those requirements.

In our opinion, the Diocese complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2010.

Internal Control over Compliance

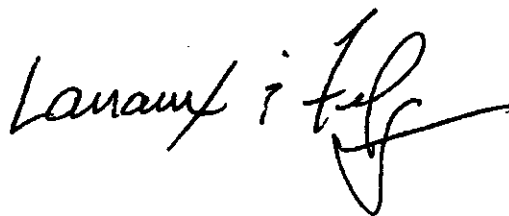
The management of the Diocese is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Diocese's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Diocese's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is indented for the information of the finance council, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Houma, Louisiana
November 18, 2010

A handwritten signature in black ink, appearing to read "Laramy i telf", with a stylized flourish at the end.

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU, OFFICES AND INSITUATIONS
SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2010**

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2009-1 DEPARTURES FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Condition: Several departures from accounting principles generally accepted in the United States of America were noted in the independent auditors' report on the financial statements.

Criteria: Louisiana audit laws require quasi-public entities prepare financial statements in accordance with generally accepted accounting principles.

Cause: Management believes the cost of correcting these departures from generally accepted accounting principles exceeds the benefit to the organization.

Effect: The departures result in a qualified opinion on the financial statements.

Current Status: See Management's Corrective Action Plan.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings were reported for the year ended June 30, 2009.

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX, OFFICES AND INSTITUTIONS
MANAGEMENT'S CORRECTIVE ACTION PLAN
Year Ended June 30, 2010**

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2010-1 DEPARTURES FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Condition: Several departures from accounting principles generally accepted in the United States of America were noted in the independent auditors' report on the financial statements.

Recommendation: Management should evaluate the costs of correcting the departures from generally accepted accounting principles and assess the effects these departures have on the financial condition and results of operations of the organization.

Management's Response: At this time, management believes the costs of correcting the departures from generally accepted accounting principles noted in the auditors' report exceed the benefits to the organization.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings were reported which require a response from management.